

## Message Text

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PAGE 01 REYKJA 00473 061439Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 EB-08 PM-04 NSC-05 L-03 SP-02  
/050 W

-----061453Z 084621 /43

R 051713Z APR 77  
FM AMEMBASSY REYKJAVIK  
TO SECSTATE WASHDC 7160

S E C R E T REYKJAVIK 0473

FOR EUR ASSISTANT SECRETARY HARTMAN

E.O. 11/52; GDS  
TAGS; MARR, MASS, IC, US  
SUBJECT: TERMINAL COMPLEX ISSUE

REF: REYKJAVIK 220, REYKJAVIK 157

1. AS DEPARTMENT AND OTHER WASHINGTON AGENCIES CONSIDER  
GOI'S REQUEST FOR FINANCIAL ASSISTANCE IN SEPARATING  
CIVILIAN AND MILITARY AIR TERMINAL FACILITIES AT  
KEFLAVIK, EMBASSY WISHES TO CALL YOUR ATTENTION TO  
RECENT LOCAL DEVELOPMENTS WHICH SUPPORT PRIME MINISTER  
HALLGRIMSSON'S CONTENTION (REYKJAVIK 157 AND 220) THAT  
IDF PRESENCE AND ICELAND'S NATO MEMBERSHIP WILL BE  
CONTENTIOUS ISSUES IN NEXT ELECTION. THESE DEVELOPMENTS  
ARE POLITICAL PORTENTS OF WHAT WE MAY EXPECT  
AS ICELAND MOVES TOWARD ITS NEXT ELECTIONS AND OF  
LEFTIST INTENTIONS TOWARD OUR STRATEGIC PRESENCE HERE.  
THEY ARE:

-- PROGRESSIVE PARTY, ICELAND'S SECOND LARGEST,  
REITERATED AT CENTRAL COMMITTEE MEETING MARCH 25-27  
(REYKJAVIK 452) FORMAL PP OPPOSITION TO FOREIGN MILITARY  
PRESENCE IN ICELAND PLUS INTENTION OF WORKING FOR  
INTERNATIONAL CLIMATE IN WHICH ALL DEFENSIVE ALLIANCES  
CAN BE DISBANDED. (IN PERIOD BEFORE ELECTION, ONE OF  
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PAGE 02 REYKJA 00473 061439Z

PP'S MAJOR TASKS WILL BE REMOVAL OF ANY BLEMISHES  
ON ITS TRADITIONAL NATIONALISTIC, SLIGHTLY LEFT-OF-CENTER  
IMAGE THAT MIGHT HAVE BEEN ACQUIRED DURING PARTNERSHIP  
WITH INDEPENDENCE PARTY. DISTANCING ITSELF FROM  
IP DEFENSE POLICY IS ONE OBVIOUS WAY OF DOING THIS.)

-- 28TH ANNIVERSARY OF GOI DECISION TO JOIN NATO

(MARCH 30) WAS MARKED HERE BY MAJOR PUBLIC PROTEST ON PART OF NATO AND IDF OPPONENTS. HERALDED BY EXTENSIVE (AND EXPENSIVE) ADVERTISING CAMPAIGN, INDOOR RALLY OF IDF/NATO FOES DREW UP TO 3000, WITH HUNDREDS MORE REPORTEDLY TURNED AWAY. EFFORT CLEARLY SHOWED THAT EVEN IN ABSENCE OF COD WAR OR OTHER EXTERNAL STIMULI, DEFENSE ISSUE REMAINS HIGHLY EMOTIONAL ONE THAT CAN BE READILY EXPLOITED BY OPPONENTS OF CURRENT GOI POLICY.

-- SUBSTANTIAL ADVERSE PUBLICITY IS REGULARLY GIVEN TO KEFLAVIK BASE WHENEVER OPPONENTS OF ITS PRESENCE SEE OPPORTUNITY TO DO SO. RECENT EXAMPLES WERE ESCAPE FROM BASE CUSTODY OF SUSPECTED DRUG TRAFFICKER (REYKJAVIK 143) AND CONTROVERSIAL DUMPING AT SEA OF EXPENDED DETONATOR DEVICES (REYKJAVIK 421). STILL MORE RECENTLY HINTS HAVE BEEN DROPPED IN PRESS THAT PERENNIAL NUCLEAR WEAPONS STORAGE ALLEGATIONS MAY AGAIN SURFACE. THIS IS GUARANTEED ATTENTION-GETTER AND ONE THAT SERVES TO SPOTLIGHT SERIOUS CONCERN OF MANY ICELANDERS THAT KEFLAVIK BASE IS BOTH NUCLEAR DEPOT AND TARGET.

2. IN LIGHT OF ABOVE DEVELOPMENTS, WE HOPE THAT CONSIDERATION BY DEPARTMENT AND OTHER AGENCIES OF PRIME MINISTER'S REQUEST WILL TAKE FULLY INTO ACCOUNT INTENSE ICELANDIC SENSITIVITIES OVER FOREIGN MILITARY PRESENCE AND RESIDUAL DISENCHANTMENT WITH NATO OVER COD WAR, BOTH OF WHICH PRIMZ MINISTER EMPHASIZED IN HIS TALK WITH VICE PRESIDENT. THESE ASPECTS OF ICELANDIC SENTIMENT ARE NATURAL TARGETS FOR  
SECRET

SECRET

PAGE 03 REYKJA 00473 061439Z

EXPLOITATION BY LEFTIST OPPOSITION IN ITS DRIVE TO WIN POWER AGAIN AND FORCE US OUT. WE WERE LUCKY ENOUGH TO BE TAKEN OFF HOOK ON WHICH PREVIOUS LEFTIST COALITION TRIED TO HANG US BECAUSE INTERNAL, CHIEFLY ECONOMIC, DEVELOPMENTS FORCED THAT COALITION TO RESIGN, THEREBY OPENING WAY FOR INDEPENDENCE PARTY TO RETURN TO OFFICE AS LEADER OF NEW GOVERNMENT. WE HAVE NO WAY OF ESTIMATING WHETHER SAME FORTUITOUS CIRCUMSTANCES WOULD AGAIN WORK IN OUR FAVOR SHOULD NEW LEFTIST GOVERNMENT EMERGE AS RESULT UPCOMING ELECTIONS. IT IS A FAIR ESTIMATE, HOWEVER, STRENGTHENED BY RECENT DEVELOPMENTS NOTED ABOVE, THAT ANY SUCH GOVERNMENT WOULD AGAIN TRY TO GET US BACK ON THE HOOK. IN SUCH SITUATION WHAT MIGHT NOW APPEAR TO US TO BE EITHER COSTLY OR UNREASONABLE WERE WE TO MAKE POSITIVE RESPONSE TO PRIME MINISTER'S REQUEST MAY VERY WELL LOOK LIKE A BARGAIN, PARTICULARLY IN THE ABSENCE OF READILY AVAILABLE GEOGRAPHIC OR TECHNOLOGICAL ALTERNATIVES TO WHAT WE NOW HOLD AT KEFLAVIK.

3. ALTHOUGH HE HAS NOT RAISED SUBJECT WITH ME ON THE  
SEVERAL OCCASIONS ON WHICH WE HAVE SPOKEN, I AM SURE  
PRIME MINISTER MUST WONDER WHAT HAS HAPPENED TO THE  
REQUEST HE MADE TO THE VICE PRESIDENT. I WOULD  
THEREFORE APPRECIATE RECEIVING ANY INFORMATION REGARDING  
THE STATUS OF HIS REQUEST WHICH I COULD PASS ALONG TO  
HIM EITHER IN RESPONSE TO ANY QUERY HE MAY MAKE OR ON  
MY OWN INITIATIVE.  
BLAKE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Reference:** 77 REYKJAVIK 220, 77 REYKJAVIK 157  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009